



MR. PAUL F. MANLEY
17917 SCHNELEY AVE.
CLEVELAND 19, OHIO

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WHAT KIND OF SETTLEMENT FOR GERMANY?

WORLD opinion fluctuates between hope and apprehension as the Moscow conferees toss the ball back and forth on the issues of reparations, economic unification and political structure of Germany. While proposals so far advanced by the four Allies have merely cleared the ground for actual negotiations, the lines of a possible settlement begin to emerge both from the conference reports and from various analyses, official and unofficial, of Germany's present condition.

1. *Germany must have an economy capable of providing at least minimum requirements of food, clothing and shelter for the Germans; of supplying manufactured goods to European countries which in the past had drawn on German production for their own industrial development; and of providing a market for the goods of countries which in the past served as German sources of supply—for example Britain, the Netherlands, Scandinavia.* This means that Germany must retain industrial establishments and, where those establishments have been destroyed by war, rebuild them. On this point there seems to be no major disagreement among the Allies—although France insists that it should have a priority over Germany in obtaining Ruhr coal.

2. *Assuming that the level of German industry is raised, the question remains how the Allies can control German production in such a way as to prevent the Germans from using their revived industrial power for military purposes.* An obvious first step is complete demilitarization which, according to the reports of all four occupying nations, is in the process of being completed. For the long term, however, two main approaches have been suggested. First, former Secretary of State Byrnes proposed in 1946 a twenty-five-year four-power security alliance to prevent the military resurgence of Germany—an

alliance which, if concluded in 1919, might have conceivably prevented the rise of Hitler. Reports from Moscow, however, indicate that Secretary Marshall may consider such an alliance less important as a security guarantee than as an indication that the United States has a permanent stake in the future of Europe, a fact already made clear by the Truman Doctrine. Second, the suggestion has been made, in varying versions, that the Allies establish economic controls over Germany. The French, disillusioned in 1919 by the failure of the United States and Britain to fulfill their promises of a three-power defensive alliance, have focused their demands this time on international control of the Ruhr coal, which they regard as the sinews of German industrial production, and therefore the potential sinews of German militarism. Others contend that, since modern warfare relies more and more on scientific invention, Allied control of key laboratories would prove the most effective and at the same time the least burdensome method of preventing the revival of German militarism. From this discussion it would appear that if a peace settlement is reached on Germany, it will provide for a formula combining political security pledges with some form of economic control.

3. *Long-term supervision of Germany is regarded as essential because the Germans have not shown much evidence of a change of attitude toward the rest of the world.* On this point, too, there appears to be no major disagreement among the four Allies. The polls conducted in the American zone by the United States military government, the studies of the international committee headed by Lord Vansittart of Britain, and other attempts to ascertain German opinion agree that, in spite of military defeat and material destruction, the majority of Ger-

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mans remain strongly nationalistic, have no feeling of guilt or regret about the fate they inflicted on the rest of Europe, and show little indication of a genuine comprehension of the principles of democracy as defined by Secretary Marshall. Under the circumstances, none of the four Allies feels the confidence in a change of heart on the part of the Germans which General MacArthur apparently has in the case of the Japanese. All four therefore believe that safeguards must be maintained until such time as the Germans find it possible to adopt a different view toward their neighbors. Since this change could be effected only by education, admittedly a slow process, the Allies are not sanguine about the possibility of leaving Germany to its own devices for years to come.

4. *Under these circumstances, the Allies agree on the need to determine for the Germans the form of political structure Germany should have in the future.* While as Secretary Marshall said on March 22, all four Allies talk as if they might agree on some form of federation—now that Mr. Molotov has proposed abandonment of Hitler's centralized administrative structure and return to the Weimar republic—the Western powers fear that Russia is still seeking a way of asserting its influence over the Reich, this time possibly through the emergency powers granted to the president by the Weimar constitution, under which Hitler succeeded in building his dictatorship. More important even than the actual administrative structure of the Reich, in the opinion of the United States, is assurance that under

a new German constitution all German citizens shall enjoy the rights associated with the Western concept of democracy, and that the rights of minority groups shall be scrupulously protected.

It becomes increasingly obvious, however, that the political views of the Germans will, in the final count, be determined by economic conditions within the Reich. While the United States can do much to revive the economy of Germany—as well as Greece and other countries whose resources have been shattered by war—it cannot accomplish this task alone. The German problem is part of the reconstruction problem of all Europe. What is needed is a concerted effort, undertaken by an agency representing not only the big four—of whom all but France are extra-European—but also the European countries most affected by Germany's destiny. The creation this month by the UN Economic and Social Council of the European Reconstruction Commission, to which Russia has agreed, could serve as an agency for a joint attempt to rebuild the continent. This commission should not be mistaken for the nucleus of a United States of Europe, which for many reasons appears impracticable today. But it offers a modest opportunity to diagnose and try to remedy the problems of Europe as a whole, instead of continuing to give piecemeal emergency treatment here and there without getting at the basic causes of the disease.

VERA MICHELES DEAN

(The third of three articles on the issues before the Moscow Conference.)

ASIA'S LEADERS ASSESS NEW DEVELOPMENTS IN U.S. POLICY

The proposals on Greece and Turkey now before Congress have had repercussions on the thinking of political leaders throughout the world, including Asia. The Minister of Information of the Chinese Central government on March 13 called President Truman's message "heartening news," and Nanking officials voiced their hopes for new American assistance in the civil war with the Chinese Communists. More striking was the reaction in Japan, where Premier Yoshida, leader of the right-wing Liberal party, declared on March 19: "We are having our battles with the Communists, too, and we have a very dangerous enemy to the north." This statement, which could not be printed in the Japanese press because of the ban against criticism of Allied governments, represents no new development in Yoshida's outlook. But it is doubtful whether it would have been made at this moment if it had not been for the evolution of American policy in the Mediterranean and the Near East.

WHAT WILL ASIA'S MODERATES THINK?

Although reports from Asia are slow in coming in, it is clear that in China and Japan right-wing leaders

—fearful both of Russia and domestic opposition movements—feel encouraged by the Administration's attitude toward Greece and Turkey. At the same time, it may be taken for granted that Communists in these countries, whether or not they adopt a strong public stand on the question, will be as sharply against the Truman declaration as rightist parties are for it. The thing to watch for is the reaction of various middle groups, such as the Chinese Democratic League, Japanese Socialists, and south Korean elements grouped about the centrist, Kim Kyu-sik, and the left-of-center leader, Lyuh Woon-hyeung. The middle elements have most to lose from a further polarization of the world into two hostile camps. By and large they have pinned their hopes at home on serving as a bridge between a peaceful right and left, while in the world as a whole they have wanted the lesser powers and small countries to reduce the gap between the United States and the U.S.S.R. through the United Nations organization.

Whatever reaction they may have, Asia's moderates will probably be disturbed at the thought

that the United States is bypassing the United Nations. Such a reaction is also quite likely among the nationalist leaders of Southeast Asia and India, who have feared the necessity of joining or being sucked into a power bloc outside their own areas and have looked for protection to a combination of UN strength and cooperation among themselves. Although not referring to the Greek-Turkish situation, Pandit Jawaharlal Nehru stressed both these themes in opening the first Inter-Asian Relations Conference at New Delhi on March 23. Speaking to 250 delegates from twenty-five Eastern countries, including Outer Mongolia, Egypt, and four republics of the Soviet Union, he said: "We support the United Nations structure, which is painfully emerging from its infancy, but in order to have 'one world' we must also think of the countries of Asia cooperating together for a larger ideal."

CHINA'S CIVIL WAR SPREADS. Meanwhile, both in China and Japan, several important developments have taken place. On March 15 Generalissimo Chiang Kai-shek declared with reference to the civil war that "hopes for settlement by political means have been shattered." This constitutes the first formal abandonment of the concept advanced by the Generalissimo in Chungking more than three and a half years ago, on September 13, 1943, when he told the Kuomintang Central Executive Committee: "I am of the opinion that first of all we should clearly recognize that the Chinese Communist problem is a purely political problem and should be solved by political means."

Heightening of the internal conflict was emphasized on March 19, when government troops entered the Chinese Communist capital at Yen-an, which had previously been evacuated. The fall of this center will cause technical problems for the Communists, who must now establish new headquarters after more than a decade of settled residence in Yen-an's cliff-rimmed valley. There has also been some speculation as to whether there will be any psychological reactions in Communist territory. In a military sense the government's occupation of the Communist capital is a very limited victory, not bringing the conflict appreciably nearer a decision. A vast area of some 100,000,000 people remains in Communist hands, and the Communists retain powerful military forces. It should be noted that Communist China is highly decentralized politically and militarily, and the various Communist bases have operated on their own to a considerable degree.

Yen-an itself was not a city like Nanking, but an overgrown village, significant because of the military and political leaders who worked in it and have now gone elsewhere. The fall of Yen-an must also be judged in the light of widespread attacks by the Communists on points held by the government, the revolt on the island of Formosa which has compelled the transfer of Central troops from Shanghai, and peasant outbreaks in parts of south and west China.

MACARTHUR SEEKS JAPAN PEACE TREATY.

In the United States and Japan the policy statements made by General MacArthur on March 17 have excited considerable comment. Speaking at a press conference, the Supreme Commander advocated the early conclusion of a peace treaty with Japan. He went on to suggest that this be followed by the withdrawal of all foreign military formations from Japan, although there should be some maintenance of outside guidance and controls through the United Nations. He indicated that he considers the military phase of the occupation complete, the political phase near completion, and the economic phase impossible to settle from the outside.

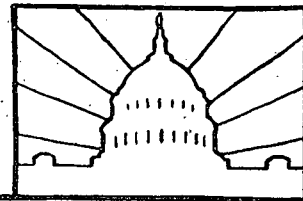
The reaction in official Washington was to emphasize the purely personal character of General MacArthur's statements, which had been made without prior consultation with the State Department. The Department has for some time been doing spadework in preparation for a Japan peace treaty, but the process is necessarily slow, especially since the European treaties, which have priority, require much time and energy. In Tokyo there were expressions of pleasure, as well as confusion, at MacArthur's support for the early establishment of a Japan functioning essentially on its own. While voicing approval, Premier Yoshida made it clear that he prefers American to United Nations control, and wishes to see American troops stay for a time after the peace settlement to bolster the Japanese regime. The conservative leaders of Japan apparently see the future in terms of an American-Japanese alliance, with the United States backing them materially in exchange for their support of American military concepts and foreign policy. Whether they look beyond this to the day when Japan can once more strike out on an independent military and political course is a matter of speculation, but it would be surprising if they did not.

LAWRENCE K. ROSINGER

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Washington News Letter



CONGRESS WEIGHS PROS AND CONS OF TRUMAN DOCTRINE

Congress and the President have been developing new constructive techniques for collaboration in the making of foreign policy since Mr. Truman proposed on March 12 that the United States help Greece and Turkey with money and advice. The legislative and executive branches have joined in an unexampled search for a compromise Greco-Turkish policy acceptable to both. Few members of Congress have wholly condemned the presidential suggestion, and the President and his advisers have shown willingness to act on sincere Congressional criticism. From the point of view of the White House Congress has been adamant only in deciding to examine the Truman proposal slowly and thoroughly. This means that Congress probably will not act until the middle of April, whereas the United Kingdom on February 24 notified the State Department that it will cease to help Greece financially on March 31.

CONGRESS MAY ACCEPT MODIFIED POLICY. In spite of this delay, the sternest Congressional critics of the President's proposal now predict that a majority of the House and Senate will vote for a bill authorizing the general scheme of assistance which Truman has requested. Yet officials of the Administration expect that Congress will mold the details of the policy by amendments to the bill limiting the power of the President to deal with the problems raised by Greece and Turkey in any manner he pleases. Congressional changes already suggested could result in substantial revision of Truman's policy, shifting its emphasis as to purpose and method in two ways by stressing positive aid to Greece and Turkey instead of resistance to communism which President Truman underlined; and by token acknowledgment of the value of the multilateral United Nations approach to world problems.

The key factor in the new technique of Capitol-White House collaboration is the special role assumed by Chairman Arthur Vandenberg of the Senate Foreign Relations Committee. Carrying forward along new lines the "bipartisanship" in foreign policy which he has helped to create during the past three years, Vandenberg has tendered his good offices both to the Administration and to the Senate in order to reach agreement between them. After assuring the Administration that he supported its goal in Greece and Turkey, he won the confidence of the

Senate on March 14 by inviting his colleagues to submit in writing critical questions raised by the Truman proposals. Promising that the Administration would reply to the questions, he received 400 by the time the lists closed on March 20.

By ignoring the United Nations in his statement of Greco-Turkish policy, the President caused much concern to the international-minded Senators, and Senator Vandenberg on March 21 suggested that the Greco-Turkish bill as introduced in the House on March 18 include a preamble stating that "the furnishing of such assistance to Greece and Turkey by the United States will contribute to the freedom and independence of all members of the United Nations." Other Senatorial questions reflect (1) fear lest the policy lead to war, which Senator Robert Taft, Republican of Ohio, voiced on March 16; (2) uncertainty as to the scope of the commitments for the United States Mr. Truman had in mind when he said that we should "support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure"; (3) doubt whether Greeks and Turks have freedom in their domestic society; (4) and skepticism—suggested on March 21 by Representative John David Lodge, Republican of Connecticut, that Turkey needs our help as urgently as Greece.

AMERICANS UNCERTAIN. While the Administration has persuaded many Congressmen that the United States must act alone in Greece and Turkey, it apparently has not convinced the public that the problem is critical. Acting Secretary of State Dean Acheson told the House Foreign Affairs Committee on March 20 that the proposed American interference would contribute more to peace than to war. A majority of Congressmen, however, do not yet agree with the Administration, that the foreign policy crisis is the foremost issue of the day. Congress is now occupied in writing a new tax measure, and on March 21 the House Ways and Means Committee voted to reduce taxes—and presumably the capacity of the Administration to spend—by 20 to 30 per cent. Nor does the Administration's budget contemplate the financial commitments proposed in Greece and Turkey. The new technique of collaboration between President and Congress, therefore, has yet to create full consistency between foreign and domestic policy.

BLAIR BOLLES